
**Statement Concerning Your Employment in a Job
Not Covered by Social Security**

Employee Name _____ **Employee ID#** _____**Employer Name** State of Louisiana/DCFS **Employer ID#** Agency #360

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2013, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$395.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision."

Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security (\$500 - \$400=\$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, "Government Pension Offset."

For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free 1-800-772-1213, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security Benefits.

Signature of Employee _____ **Date** _____

Information about Social Security Form SSA-1945 Statement Concerning Your Employment in a Job Not Covered by Social Security

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security**, is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect a Social Security benefit received as a spouse, surviving spouse, or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, www.socialsecurity.gov/online/ssa-1945.pdf. Paper copies can be requested by email at ofsm.oswm.rqct.orders@ssa.gov or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.

Windfall Elimination Provision

2015



Your Social Security retirement or disability benefits may be reduced

The Windfall Elimination Provision may affect how we calculate your retirement or disability benefit. If you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any pension you get from that work may reduce your Social Security benefits.

When your benefits may be affected

This provision may affect you when you earn a pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision may apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you did not pay Social Security taxes after 1985, even if you are still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. Your Social Security benefit amounts won't be reduced if you performed federal service under a system such as the Federal Employees' Retirement System in which Social Security taxes were withheld.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for inflation. We separate your average earnings into three amounts and multiply the amounts using three factors. For example, for a worker who turns 62 in 2015, the first \$826 of average monthly earnings is multiplied by 90 percent; the next

\$4,980 by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the total monthly payment amount.

When we apply this formula, the percentage paid to lower-paid workers is higher than highly paid workers. For example, workers making \$3,000 per month could receive a benefit of \$1,439 (48 percent) of their pre-retirement earnings. For a worker making \$8,000 per month, the benefit could be \$2,666 (33 percent).

Lower-paid workers could get a Social Security benefit that equals about 55 percent of their pre-retirement earnings. The average replacement rate for highly paid workers is about 25 percent.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For those who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You are a federal worker first hired after December 31, 1983;
- You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay;
- Your only pension is for railroad employment;
- The only work you performed for which you did not pay Social Security taxes was before 1957; or

(over)

- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce widows or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

See the first table that lists substantial earnings for each year.

The second table shows the percentage used depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent.

To see the maximum amount we could reduce your benefit, visit www.socialsecurity.gov/retire2/wep-chart.htm.

A guarantee

The law protects you if you get a low pension. We will not reduce your Social Security benefit more than half of your pension for earnings after 1956 on which you did not pay Social Security taxes.

Contacting Social Security

Visit www.socialsecurity.gov anytime to apply for benefits, open a *my Social Security* account, find publications, and get answers to frequently asked questions. Or, call us toll-free at **1-800-772-1213** (for the deaf or hard of hearing, call our TTY number, **1-800-325-0778**). We can answer case-specific questions from 7 a.m. to 7 p.m., Monday through Friday. Generally, you'll have a shorter wait time if you call after Tuesday. We treat all calls confidentially. We also want to make sure you receive accurate and courteous service, so a second Social Security representative monitors some telephone calls. We can provide general information by automated phone service 24 hours a day. And, remember, our website, www.socialsecurity.gov, is available to you anytime and anywhere!

Year	Substantial earnings	Year	Substantial earnings
1937-1954	\$900	1991	\$9,900
1955-1958	\$1,050	1992	\$10,350
1959-1965	\$1,200	1993	\$10,725
1966-1967	\$1,650	1994	\$11,250
1968-1971	\$1,950	1995	\$11,325
1972	\$2,250	1996	\$11,625
1973	\$2,700	1997	\$12,150
1974	\$3,300	1998	\$12,675
1975	\$3,525	1999	\$13,425
1976	\$3,825	2000	\$14,175
1977	\$4,125	2001	\$14,925
1978	\$4,425	2002	\$15,750
1979	\$4,725	2003	\$16,125
1980	\$5,100	2004	\$16,275
1981	\$5,550	2005	\$16,725
1982	\$6,075	2006	\$17,475
1983	\$6,675	2007	\$18,150
1984	\$7,050	2008	\$18,975
1985	\$7,425	2009-2011	\$19,800
1986	\$7,875	2012	\$20,475
1987	\$8,175	2013	\$21,075
1988	\$8,400	2014	\$21,750
1989	\$8,925	2015	\$22,050
1990	\$9,525		

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Government Pension Offset



A law that affects spouses and widows or widowers

If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

Your Social Security benefits will be reduced by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you are eligible for a \$500 spouse's, widow's or widower's benefit from Social Security, you will receive \$100 per month from Social Security ($\$500 - \$400 = \$100$).

If you take your government pension annuity in a lump sum, Social Security still will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to wives, husbands, widows and widowers are "dependent's" benefits. These benefits were established in the 1930s to compensate spouses who stayed home to raise a family and who were financially dependent on the working spouse. But as it has become more common for both spouses in a married couple to work, each earned his or her own Social Security retirement benefit. The law has always required that a person's benefit as a spouse, widow or widower be offset dollar for dollar by the amount of his or her own retirement benefit.

In other words, if a woman worked and earned her own \$800 monthly Social Security retirement benefit, but she also was due a \$500 wife's benefit on her husband's Social Security record, we could not pay that wife's benefit because her own Social Security benefit offset it. But, before enactment of the Government Pension Offset provision, if that same woman was a government employee who did not pay into Social Security, and who earned an \$800 government pension, there was no offset, and we were required to pay her a full wife's benefit in addition to her government pension.

If this government employee's work had instead been subject to Social Security taxes, any Social Security benefit payable as a spouse, widow or widower would have been reduced by the person's own Social Security retirement benefit. In enacting the Government Pension Offset provision, Congress intended to ensure that when determining the amount of spousal benefit, government employees who do not pay Social Security taxes would be treated in a similar manner to those who work in the private sector and do pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, your Social Security benefits as a spouse, widow or widower will not be reduced if you:

- Are receiving a government pension that is not based on your earnings; or
- Are a federal (including Civil Service Offset), state or local government employee whose government pension is based on a job where you were paying Social Security taxes; and
 - you filed for and were entitled to spouse's, widow's or widower's benefits before April 1, 2004; or
 - your last day of employment (that your pension is based on) is before July 1, 2004; or

—you paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain conditions, fewer than 60 months may be required for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

Also, there are other situations where Social Security benefits as a spouse, widow or widower will not be reduced; for example, if you:

- Are a federal employee who elected to switch from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and
- you filed for and were entitled to spouse's, widow's or widower's benefits before April 1, 2004; or
- your last day of service (that your pension is based on) is before July 1, 2004; or
- you paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
- Received or were eligible to receive a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received or were eligible to receive a federal, state or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

What about Medicare?

Even if you do not receive cash benefits based on your spouse's work, you still can get Medicare at age 65 on your spouse's record if you are not eligible for it on your own record.

Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse or widow or widower. However, your own benefits may be reduced because of another provision of the law. For more information, ask for *Windfall Elimination Provision* (Publication No. 05-10045).

Contacting Social Security

For more information and to find copies of our publications, visit our website at **www.socialsecurity.gov** or call toll-free, **1-800-772-1213** (for the deaf or hard of hearing, call our TTY number, **1-800-325-0778**). We treat all calls confidentially. We can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. Generally, you'll have a shorter wait time if you call during the week after Tuesday. We can provide information by automated phone service 24 hours a day.

We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some telephone calls.

